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CENTURYTEL

August 31, 2005

Chairman Ron Jones
C/O Charla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: CenturyTel of Ooltewah-Collegedale, Inc.
TRA Docket No. 05-00235**

Dear Mr. Jones:

Pursuant to state law Tennessee Code Annotated 65-7-222, CenturyTel of Ooltewah-Collegedale, Inc. is required to revise its business rates effective October 1, 2005 to reflect the actual tax equity payment received in 2005

As reflected in the supporting calculations, CenturyTel of Ooltewah-Collegedale, Inc has a shortfall and will not flow through its estimated net tax savings to business customers and instead will offset the shortfall. As a result, there are no tariff changes to file.

If you have any questions, please contact me at (318) 362-1538.

Sincerely,



Ken Buchan
Manager – Regulatory Finance

Enclosures

cc: Chantel Mosby

CenturyTel Tennessee Telephone Companies
Property Tax Calculation - Net Pass Through Amount
4th Price Adjustment Effective October 1, 2005

Ln.	Description	Adamsville	Claiborne	Ooltewah-Collegedale	Amount	Comments
1	Equity Payment Received - June 29, 2003	\$ 61,790	\$ 58,039	\$ 63,733	\$ 183,561	See OSAP 6/29/03 letter and worksheet Reflects 15 months of sales tax collections
2	Part 36/69 Interstate revenue requirement reduction ** (June 2002 through May 2003)	17,882	15,549	22,319	\$ 55,750	Effect of Interstate jurisdictional separations - June 2002 Through May 2003
3	Net Amt to Flow Through (L1 - L2)	43,908	42,490	41,413	\$ 127,812	See 1st price adjustment Interstate revenue impact (per company worksheet)
4	1st Price Adjustment - 21 month amount January 1, 2002 Through September 30, 2003	80,187	83,136	50,568	\$ 213,891	Ln 1 amt Reflected from 1/1/02 - 10/1/03 (21mths) Reflects cumulative amount actually passed through in price adjustments
5	Net Pass Through Amount For Oct 1, 2003 Through Sept 30, 2004	\$ (1,153)	\$ (6,653)	\$ 23,976	\$ 16,170	Estimated Tax Payment Less Part 36/69 Interstate Costs Less True-up
6	Total Flow Thru	\$ 79,034	\$ 76,483	\$ 74,544	\$ 230,061	
7	Shortfall	\$ (35,126 09)	\$ (33,992 86)	\$ (33,130 52)	\$ (102,249.47)	
8	Total Equity Payment Received June 21, 2004	\$ 59,021	\$ 60,782	\$ 59,830	\$ 179,633	See copies of Attached Checks
9	Part 36/69 Interstate impact, 6/03 - 5/04 - (L8 * separation factor) ##	17,084	16,253	20,916	\$ 54,253	See Interstate Part 36/69 Study or use 25% (Interstate)/ 75% (State) separation split Need to provide cost study factor development page if used
10	Impact to USF support, if applicable (include supporting calculations)	34,551	35,726	28,853	\$ 99,130	Reflects reduction in Interstate revenue from lower property amt on Co books
11	Net Tax Savings to Company to be flowed through to business customers (L8-L9-L10)	\$ 7,387	\$ 8,803	\$ 10,061	\$ 26,250	See attached supporting calculations
12	Shortfall through 9-30-04 (L7+L11)	\$ (27,739 56)	\$ (25,190 00)	\$ (23,069 91)	\$ (75,999 47)	
13	Proposed Annual Flow Thru Oct. 1, 2004 - September 30, 2005	0	0	0	0	
14	Total Equity Payment Received July 15, 2005	\$ 55,127	\$ 54,966	\$ 52,463	\$ 162,555	See copies of Attached Checks
15	Part 36/69 Interstate impact, 6/04 - 5/05 - (L14 * separation factor) ##	15,944	14,294	18,276	\$ 48,514	See Interstate Part 36/69 Study or use 25% (Interstate)/ 75% (State) separation split Need to provide cost study factor development page if used
16	Impact to USF support, if applicable (include supporting calculations)	32,260	32,483	25,543	\$ 90,286	Reflects reduction in Interstate revenue from lower property amt on Co books
17	Net Tax Savings to Company to be flowed through to business customers (L14-L15-L16)	\$ 6,923	\$ 8,189	\$ 8,644	\$ 23,756	See attached supporting calculations
18	Shortfall through 9-30-05 (L12+L17)	\$ (20,816 47)	\$ (17,000 75)	\$ (14,426 09)	\$ (52,243 31)	
19	Proposed Annual Flow Thru Oct. 1, 2005 - September 30, 2006	0	0	0	0	

Property Taxes are allocated based on Plant in Service in the Separation study Below are the updated
 ## INTERSTATE factors based on the 2004 cost study

T033 Claiborne 28 0044%

T085 Adamsville 28 0221%

T119 Ooltewah-Collegedale 34 8384%

CenturyTel of Ooltewah-Collegedale (T119)

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2005 Tennessee Tax Reduction

G \REG_ANA\Tennessee\Property Tax Pass Through\[tennessee tax reduction xls]T119

1	Total Equity Payment Received June/July 2005	\$52,463 00
2	Jurisdictional Separations Impact (part 36/69). Line 1 * separations factor	(\$18,276)
3	Impact to USF support, if applicable (include supporting calculations) (note: USF impact calculated using \$240 00 NACPL)	(\$25,543)
4	Net Tax Savings to Company to be flowed through business customers (Line 1 less lines 2 and 3)	<hr/> \$8,644